

Winneshiek County / UE Local 869 (Roads)

2007-2008
CEO: 463
SECTOR: 2

REPORT OF FACT-FINDER

In the Matter of Fact-Finding

between

Winneshiek County

and

UE Local 869 (Roads Unit)

Findings
and
Recommendations
by
Fact-Finder
Peter Feuille

Date of Report: May 28, 2008

APPEARANCES

For the County:

Mr. Lloyd Peterson, Blackstone, Simmons & Peterson, Attorney
Mr. Les Askelson, County Supervisor
Mr. Dean Darling, County Supervisor
Mr. Lee Bjerke, County Engineer

For the Union:

Mr. Robert Russell, UE Field Organizer
Mr. Kyle Miller, Local President
Mr. Louis Lienhard, Local Secretary-Treasurer

INTRODUCTION

The United Electrical, Radio & Machine Workers of America, Local 869 ("Union") and Winneshiek County ("County") have been negotiating for a new collective bargaining agreement to take effect on July 1, 2008 in the 26-member secondary roads bargaining unit ("roads unit") to replace the expiring 2005-2008

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collective bargaining agreement ("CBA"). Because the parties were not able to reach agreement on all issues, they invoked fact-finding pursuant to Chapter 20.21 of the Code of Iowa ("Code"). Pursuant to their independent impasse agreement, the parties waived completion of the impasse resolution process by March 15, 2008 and extended this deadline to June 15, 2008 (Employer Exhibits, page 5 ("EX 5")).

By mutual agreement, the parties held a fact-finding hearing on May 20, 2008, between the hours of 11:00 a.m. and 2:30 p.m., at the County courthouse in Decorah. At this hearing both sides had complete opportunity to present all the evidence and argument they deemed appropriate. The parties submitted oral closing arguments; post-hearing briefs were not filed. The record in this matter was closed at the conclusion of the May 20 hearing.

The parties agreed to waive the 15-day period specified in Chapter 20.21 for the issuance of the instant Report, and agreed that this Report would be timely as long as it was issued (postmarked) by June 6, 2008.

STATEMENT OF IMPASSE ITEMS

At the hearing the parties agreed they are seeking a three-year CBA to cover the period July 1, 2008 - June 30, 2011, and their proposals are designed to cover this three-year period.

However, the parties were not able to stipulate to the impasse items presented for resolution. During the hearing the County argued that the only impasse item is wages, and the Union countered that wages and health insurance are the two impasse items on the fact-finding agenda. The County raised several objections to the Union's fact-finding proposals, including the County's allegations that the Union's fact-finding proposals on both items are untimely in that the Union did not exchange its fact-finding proposals with the County at least five days prior to the May 20 hearing as required under Iowa Public Employment Relations Board ("PERB") Rule 7.4(3), that the Union's proposal on health insurance is improper because that item was withdrawn by the Union during bargaining and therefore health insurance is not properly on the fact-finding agenda, and that the Union's fact-finding proposals on wages and health insurance were not previously submitted to the County during negotiations as required by PERB Rule 7.4(3). The Union disputed the County's allegations. The County stated it would file prohibited practice complaints against the Union with the PERB.

I informed the parties that, consistent with the PERB's longstanding practice, I will address and rule on the impasse items submitted to me unless I am explicitly stayed from doing so

by the PERB. As of the date of this Report, I have received no such stay.

I find that there are two impasse items: (1) wages and (2) health insurance.

FINDINGS OF FACT

As the parties are aware, Chapter 20.21 of the Code specifies no decision criteria for fact-finders to use when analyzing evidence and formulating their recommendations. As the parties are equally aware, it is standard practice in Iowa fact-finding proceedings for fact-finders to rely heavily upon on the four decision criteria specified in Chapter 20.22.9 for interest arbitrators. Chapter 20.22.9 requires that arbitrators "shall consider, in addition to any other relevant factors," the following decision criteria:

- a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
- b. Comparison of the wages, hours, and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and classifications involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments and the effect of such adjustments on the normal standard of services.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

These criteria shall be referred to as bargaining history, comparability, ability to pay, and power to tax, respectively.

Further, Chapter 20.17.6 of the Code provides that

No collective bargaining agreement or arbitrators' decision shall be valid or enforceable if its implementation would be inconsistent with any statutory limitation on the public employer's funds, spending or budget or would substantially impair or limit the performance of any statutory duty by the public employer.

The analyses, findings, and recommendations provided below are offered with careful regard for these statutory criteria.

1. Wages (Article 14 and Appendix A)

The current CBA specifies the amount of annual wage adjustments in Section 14.44 and specifies the hourly wage rates for each bargaining unit classification in Appendix A.

Position of the County. The County proposes to increase the wage rates of each bargaining unit classification by four percent on July 1, 2008, by another four percent on July 1, 2009, and by yet another four percent on July 1, 2010, with all three increases taking effect on an across-the-board ("ATB") basis. The County calculates that the unweighted average wage in the bargaining unit currently is \$16.46 per hour. The County further calculates that a four percent ATB increase each year will produce an average increase of 66 cents per hour for the 2008-09 year, a 68 cents per hour increase for the 2009-10 year, and a 71 cents per hour increase for the 2010-11 year (EX 2). The County

calculates that its wage increase proposal will cost \$35,320 for the 2008-09 year (EX 3).

The County supports its offer with a variety of evidence. On the cost dimension, the County says that it can afford to fund this increase even though its Secondary Road Budget is tightening with downward trending revenues and expenditures (EXs 11-12). The County also notes that state law sets a \$3.00 per \$1,000 taxable valuation ceiling on the amount that any county can levy on property taxes to fund its secondary roads budget. The County notes that it has levied at this maximum \$3.00 level for many years to fund its Secondary Roads Budget, and that it is precluded by law from increasing this levy.

The County does not argue an inability to pay. It does argue, however, that the revenue and cost evidence do not justify the selection of the Union's almost seven percent per year wage increase.

On the comparability dimension, the County says that the evidence provides much more support for its offer than the Union's offer. Looking first at internal comparability, the County emphasizes that it has endeavored to treat all of its employee groups in an equitable manner. This includes providing the County's different employee groups with the same percentage wage increases. In particular, for each of the next three years (2008-09, 2009-10, 2010-2011) the County has agreed to four percent pay increases in its two other bargaining units - the

deputy sheriffs (represented by PPME Local 2003) and the jailers (represented by Teamsters Local 238). In addition, for 2008-09 the County is providing a four percent pay increase to the County's non-represented employees. The County argues that this wage increase pattern serves to maintain equity among the County's employee groups, and the Union has offered no persuasive reason to depart from this pattern increase.

Turning to external comparability, the County's primary external comparison group consists of four Iowa counties that are closest in population to Winneshiek County's population (of 21,263). When comparing percentage wage increases in the roads units in these other four counties - Washington, Fayette, Carroll, and Jones - the County notes that its proposed four percent increase is larger than the percentage increases in all of these other four counties (EX 3). Increases for 2008-09 are 2.0 percent in Washington County and 3.5 percent in Fayette, Carroll, and Jones Counties (EX 3).

The County's additional external comparison group is roads units in 15 other counties around Iowa. The County again emphasizes that its proposed four percent increase is larger than the wage increases agreed to in 14 of these 15 counties for 2008-09. Only Clarke County is providing a 4.0 percent increase for its roads unit; the wage increases in the other 14 counties range from 2.5 to 3.75 percent (EX 3).

The County further notes that other settlement trends information provides more support for its offer than for the Union's offer. Looking at settlements in Iowa counties reported on the PERB website as of May 8, 2008, the County notes that only Winneshiek County has agreed to provide three years of four percent wage increases among the counties that have settled as of May 8 (EXs 14-15). Instead, the County notes that most settlements are in the 3.0 to 3.5 percent range (EX 14-15).

Pulling the comparability evidence together, the County argues that its four percent proposal is quite generous in comparison to the wage increases adopted in roads units in other Iowa counties. The County further argues that the comparability evidence provides absolutely no support for the Union's proposal of nearly seven percent increases in each of the next three years.

On the bargaining history dimension, the County emphasizes that it has engaged in a lengthy history of pattern bargaining with all three unions representing the three County bargaining units. Its practice over many years has been to provide the same percentage increases to all County employee groups, and it is in the process of doing the same thing for the next three years. In addition, the County points out that these pay increases have been negotiated rather than imposed via Chapter 20 impasse proceedings, and that the instant fact-finding is the first fact-finding among the County's three bargaining units in many years.

Another bargaining history factor is the County's lengthy practice of paying wages that are in the middle of the roads unit wage distribution among the six counties in northeast Iowa (Winneshiek and its adjacent five counties). As the Union has shown in one of its exhibits (Union Exhibits, Tab 6 ("UX 6")), current County wage rates in four bargaining unit classifications are in the middle of this six-county comparison group. This is consistent with the County's longstanding practice of not lagging behind roads unit pay rates in neighboring counties, nor being the wage leader in this group. The County notes that the Union has not presented any persuasive evidence supporting a departure from this bargaining history practice.

For all of these reasons, the County urges the selection of its wage proposal.

Position of the Union. The Union proposes to increase the wages of each bargaining unit classification by \$1.15 per hour ATB in each of the next three years (2008-09, 2009-10, 2010-11). Using the County's \$16.46 current average wage figure, I calculate that the Union is proposing a wage increase of 6.99 percent for 2008-09, 6.53 percent for 2009-10, and 6.13 percent for 2010-2011 (though the precise percentage increases for each unit classification will vary slightly depending upon their actual wage). The Union calculates the annual cost of a \$1.15 per hour wage increase as \$62,192 (UX 8).

The Union supports its wage proposal with a variety of evidence. The Union relies primarily upon external comparability evidence. The Union uses two comparability groups: the five counties that are adjacent to Winneshiek County, and the 13 counties statewide that are closest in population to Winneshiek County (UX 5). The Union says the wage comparisons across four different bargaining unit classifications show that the County pays wage rates that are in the middle of the pack when compared with adjacent neighboring counties (UX 6). The Union argues that Winneshiek County is one of the largest counties in this six-county group, and that it is the most prosperous county in this group as shown by the fact that it has the highest taxable valuation in this group (UX 5). In addition, the Union points out that the value per acre of farmland in Winneshiek County increased by an estimated 25.5 percent from 2006 to 2007 (UX 9). As a result, the Union argues that the County is able to afford to pay higher wages than its neighboring counties.

The Union's key comparison group is the 14 counties of similar population from around the state. The Union argues that the County is more similar to the other 13 counties in this group than it is to its five adjacent counties (UX 5). In this statewide group, the Union says that wage comparison data across the four bargaining unit classifications show that Winneshiek pays among the lowest wage rates in the state among similar size counties (UX 6). The Union argues that these comparisons show

that unit members clearly are underpaid compared to what comparable counties pay to their roads employees in the same job classifications.

In turn, the Union argues that this evidence provides strong support for its wage proposal. The Union says that the adoption of its proposal will not put County wage rates at the top of this comparison group, only that it will pull these rates up toward the middle of this group. The Union notes that the County repeatedly emphasized in this proceeding that it tries to pay middle-of-the-pack wages, and the Union argues that the adoption of its wage proposal will achieve this objective.

The Union also argues that increases in the cost of living provide additional support for its wage proposal. In particular, increases in the prices of gasoline, propane, and electricity have hit unit members hard, and they need a larger pay increase to keep up with the increased cost of living.

The Union's health insurance proposal will be discussed below. For now, the Union notes that the County is increasing the premium for family health insurance coverage from \$380 per month to \$500 per month effective July 1, 2008 (UX 7). This is a \$120 per month increase for unit members with family coverage, and this increase is larger than the County's entire proposed 2008-09 wage increase. The Union estimates that a four percent wage increase will produce an approximate \$115 per month increase in pay, which will be entirely consumed by the increased cost of

family health insurance. The Union argues that its members deserve a wage increase that is not completely devoured by the increase in health insurance premiums.

For all of these reasons the Union urges the selection of its wage proposal.

Analysis. We begin by looking at the evidence under the ability to pay and power to tax decision criteria borrowed from Chapter 20.22.9. This evidence shows that the County's Secondary Roads Budget revenue declined modestly from FY2006 to FY2007, and is predicted to again decline modestly in FY2008 and FY2009 (EX 11). The County also is levying the maximum \$3.00 tax rate for its road fund (EX 11). The County also enjoys a comparatively high total taxable valuation of the lands within its borders (UX 5). This evidence shows that the County is able to pay for a reasonable wage increase.

Turning to the comparability evidence, there are three types of evidence to consider: internal comparables, external comparables, and current settlement trends. Looking first at *internal comparables*, the evidence shows that the County is proposing the same percentage wage increase agreed to for other County employees, but the Union is proposing a wage increase that is significantly larger than the four percent increase other County employees will receive. The County has offered an equitable-treatment-for-all-its-employees rationale in support of its proposal. However, the Union has not offered any reason why

its members deserve a much larger increase than other County employees. Other County employees have been affected by the same cost of living increases affecting roads unit members, and other County employees with family insurance coverage will be hit by the same \$120 per month increase in the family insurance premium as unit members, yet other County employees will receive four percent pay increases. As a result, the internal comparability evidence provides more support for the County's offer than the Union's offer.

Looking next at the evidence about *external comparables*, the evidence shows two things. First, it shows that roads unit wage rates are in the middle of the pack among the six counties in northeast Iowa (Winneshiek and the five adjacent counties; UX 6). This neighboring county comparison group supports the County's proposal. Second, it shows that unit wage rates are below average when compared to wage rates in roads units in the larger comparison group of 13 other Iowa counties closest in population to Winneshiek (UX 6). This statewide similar population comparison group supports the Union's proposal.

Moving to the *settlement trends* evidence, we noted above that the 2008-09 wage increases agreed to in 19 other county roads units across Iowa as reported by the County are primarily in the 3.0 to 3.5 percent range (EX 3). Very few such settlements are below 3.0 percent, and very few are above 3.5

percent (EX 3). In addition, the general settlement data from different public sector bargaining units across Iowa show the same trend: few settlements are below 3.0 percent, and few are above 3.5 percent (EXs 13-16). In addition, the largest PERB-reported wage increases agreed to in Iowa are four percent (e.g., Johnston public works, Oelwein police, etc.), and the four percent increases agreed to in the County's deputy sheriffs and jailers bargaining units are the largest county pay increases reported by the PERB among Iowa counties (EXs 14-15). This settlement trend, or wage increase, information provides much more support for the County's wage proposal than for the Union's proposal. Indeed, there is not a molecule of evidence in the wage settlement data to support the six to seven percent wage increases proposed by the Union.

Turning to the bargaining history evidence, the County reports that it has followed a longstanding practice of providing the same percentage wage increases to all three of its bargaining units, and that it is what the County is proposing to do for the next three years. The Union did not provide any direct information to the contrary. However, the Union points to the 30 cents per hour shift differential for evening and night hours that the County agreed to in the current bargaining round with the unions representing the deputy sheriffs and jailers units (EX 15), and argues that this differential gives those employees the equivalent of a larger wage increase. The County responds that

these shift differentials are not applicable in the roads unit, as roads employees only work day shifts. The County also points out that its evening and night shifts in these other two groups typically are staffed with only one employee (one deputy, one jailer) per shift, so this shift differential is paid to only a few of these employees. I find the County's explanation to be persuasive, and I find that the shift differentials in the other two units have no bearing on the determination of an appropriate across-the-board wage increase in the roads unit.

Turning to the other relevant factors dimension, at the hearing the parties discussed the need for wage rates to be sufficiently high to enable the County to attract qualified applicants to fill unit vacancies when they occur. The Union argues that larger wage increases will increase the County's ability to attract and select qualified applicants. The County responds that it has no trouble attracting qualified applicants with its recent and present wage rates. County Engineer Lee Bjerke reports that he has held this position since 2000, during that time the County has filled 11 vacancies in this unit, that whenever the County advertises in the local newspaper for a unit vacancy it receives 50-75 applicants, and the County has hired good employees during this period. This *labor market* data provides more support for the County's offer than for the Union's offer.

The Union argues that there have been significant increases in the *cost of living* such that employees need a significant increase to enable them to keep pace with rising prices. The parties briefly argued over the current rate of inflation. However, neither party submitted any precise inflation data. Without such information, there is no feasible way that changes in the cost of living can be used as a criterion when formulating a wage increase recommendation.

Summary. The totality of evidence in this proceeding provides much more support for the County's wage proposal than for the Union's wage proposal. In particular, the internal comparability evidence, much of the external comparability evidence, the bargaining history evidence, and other relevant evidence support the County's offer.

Findings and Recommendation. Based on the foregoing analysis, I find that the County's proposal on the wage issue is more reasonable than the Union's proposal. I further find that the evidence does not provide persuasive support for a wage increase recommendation that represents a compromise between the two wage proposals in the record. Instead, I find that the Union's wage proposal is excessive. In contrast, I find that the County's wage proposal will provide reasonable wage increases to unit members during the next three years. Accordingly, I recommend that Section 14.4 of the CBA be revised to provide that wages be increased ATB by four percent on July 1, 2008, by

another four percent on July 1, 2009, and by another four percent on July 1, 2010, and that the wage rates specified in Appendix A be revised to reflect this series of four percent increases.

2. Health Insurance (Article 13)

The County operates a health insurance program that it describes as "semi-self funded." The County pays medical claims from its own revenues up to \$20,000 per employee per year, and then above that level they have Blue Cross-Blue Shield re-insurance (or "stop-loss" insurance) to cover any additional costs above that level. The County currently charges a \$380 per month premium for employee coverage, and the County pays 100 percent of this amount. The County currently charges \$380 per month for family coverage, and any employee who elects family coverage must pay 100 percent of the family premium (the County does not contribute toward the family premium). Seven members of the bargaining unit currently have family insurance coverage (UX 4).

The County has announced that, effective July 1, 2008, the premium for employee coverage will be increased to \$500 per month, and the premium for family coverage also will be increased to \$500 per month, an increase of \$120 per month for each type of coverage (UX 7). The County will pay 100 percent of this new employee premium, and the employee will pay 100 percent of this

new family premium. The County provides this same insurance plan, and charges the same premiums, to all of its 125 employees.

Position of the Union. The Union proposes that Section 13.2 of the CBA be revised to specify that the County will pay 60 percent of the premium for family insurance coverage for all members who elect family coverage, effective July 1, 2008.

The Union supports its insurance proposal primarily with comparability evidence. The Union points out that there are 99 counties in Iowa, that only four counties contribute nothing toward the family premium, that 88 of these 99 counties pay 50 percent or more toward this premium, and that 21 of these counties pay 100 percent of the family premium, all for secondary roads employees (UX 7). Moreover, in the Union's 13 county population-based comparison group, all 13 of the other counties pay 50 percent or more toward family insurance, and Winneshiek is the only county that does not pay anything toward family coverage (UX 7). When looking at the five counties adjacent to Winneshiek, four of these counties contribute significantly to family coverage (from 38 percent in Allamakee to 100 percent in Howard), and only Clayton County does not pay anything toward family insurance (UX 7).

The Union says that this comparability evidence provides overwhelming support for its health insurance proposal. The Union argues this evidence shows that the County is egregiously out of step on this issue when compared with other Iowa counties,

and that it is time for this large disparity to be corrected. The Union argues that this is a particularly appropriate time for the County to start paying part of the family insurance premium, as the family premium will increase from \$380 to \$500 per month effective July 1, 2008. This is a huge one-time increase, and as noted above it will consume all of the County-proposed four percent wage increase for those employees with family coverage.

The Union also points out that the other three Iowa counties that pay nothing toward family insurance premiums (Clayton, Decatur, Lucas) pay higher wages to their roads employees than the County pays (UX 6). In effect, these other three counties enable their roads employees to better afford their family insurance premiums by paying them higher wages.

The Union says that the annual cost to the County of its insurance proposal is \$25,200 per year based on 60 percent of the \$500 monthly premium applied to the seven unit members with family coverage ($0.60 \text{ times } \$500 \text{ per month times } 12 \text{ months times } 7 \text{ employees}$; UX 8). The Union argues that this is a reasonable cost burden for the County to bear for such an important benefit.

For these reasons, the Union asks that its health insurance proposal be adopted.

Position of the County. The County proposes no change in the health insurance status quo.

The County points out that this item directly affects only seven unit members, or less than 30 percent of the bargaining unit. The County argues there is no persuasive reason for adopting a very expensive Union proposal that benefits so few employees.

The County argues that internal comparability supports its proposal, as the County does not contribute toward the dependent premium for any County employee. Further, the County concluded the negotiations for its 2008-2011 CBAs with the unions representing the deputy sheriffs and the jailers without agreeing to any dependent insurance contribution, and dependent insurance costs the same for employees in those units as in the roads unit. Moreover, the County points to the "side letter" in the parties' CBA that guarantees that roads employees will get the same dependent medical insurance benefit provided to any other County employee:

"During the term of this Agreement, if the County pays any portion of the dependent health insurance premium for other County employees, the County agrees to pay the same amount or portion of the dependent health insurance to bargaining unit employees of the Secondary Road Department." (UX 3).

The County long has provided the same benefit package to all County employees, and this "me-too" insurance provision guarantees that roads employees will be provided any dependent insurance benefits provided to other County employees.

The County argues that the Union proposal very likely will be much more expensive than the Union has calculated. The County

notes that only seven unit members have elected dependent insurance coverage, but that the adoption of the Union's proposal almost certainly would lead to more unit members electing such coverage. Moreover, the cost impact would not stop there. Because the County has the same "me-too" side letters in its other two CBAs, and because the County is committed to providing the same benefit package to non-represented employees, the County would be obligated to pay 60 percent of the dependent insurance premium for all County employees. The County estimates that it would be required to absorb a new cost of about \$450,000 per year if all 125 County employees took dependent coverage with the County paying 60 percent of this premium. The County says it cannot begin to absorb a cost increase of this magnitude.

The County points out that it provides an excellent health insurance plan to its employees. The only cost to the employees for employee coverage is a deductible of \$100 per year per employee. The County argues that its health insurance coverage is superior to that provided in many other Iowa counties, and that its employees are the beneficiaries of this excellent plan. The County argues that it cannot afford to provide a top-drawer plan plus pay a large portion of the dependent insurance premium.

Finally, the County points out that the Union is seeking a new benefit, and the County argues that it is well settled in Iowa Chapter 20 impasse resolution that new benefits should be negotiated at the bargaining table. However, the Union was not

able to obtain this new benefit at the table, so it is seeking to have it imposed by an outside neutral. The County argues that this is an inappropriate method by which to adopt a new benefit.

Analysis. Looking first at the comparability evidence, the external comparables show that the County is clearly an outlier on the dependent insurance dimension. The evidence shows that 96 percent of Iowa counties contribute something toward the dependent insurance premium for their roads employees, and that 89 percent of Iowa counties contribute 50 percent or more toward this cost (UX 7). No matter what comparison group is used, the evidence shows that the vast majority of Iowa counties provide a significant contribution toward the cost of dependent insurance coverage. In short, the external comparability evidence provides very strong support for the Union's proposal.

Turning to the internal comparables, the evidence shows that the County has not ever contributed toward the cost of dependent insurance for any of its employees. In other words, this unit is equitably treated on this issue compared to other County employees. Further, unit members are guaranteed they will not be disadvantaged compared to other County employees via the "me-too" provision in the side letter in their CBA (UX 3). In turn, the internal comparability evidence supports the County's proposal.

Looking at bargaining history, the parties have had a collective bargaining relationship for many years, but they have never negotiated into their CBA an employer contribution toward

the dependent premium. This negotiating track record indicates that an employer contribution toward the dependent premium has not been a high priority bargaining issue. Further, in the current bargaining round the County negotiated two three-year CBAs with the representatives of its deputy sheriffs and jailers units, and in spite of the large spike in the dependent premium (from \$380 to \$500 per month) neither of these two CBAs provides for any employer contribution toward the cost of dependent coverage. So, the bargaining history evidence supports the County's proposal.

Turning to the ability to pay dimension, the evidence shows two things. First, the \$25,200 annual cost of paying for 60 percent of the \$500 monthly dependent premium for seven unit members represents a substantial cost increase. I calculate that the cost of adopting the Union's proposal for these seven employees is the equivalent of a 2.8 percent wage increase for the entire bargaining unit (\$25,200 (UX 9) divided by \$883,000 (EX 3)).

Second, the County is almost certainly correct in its prediction that other employees in this unit will elect dependent coverage if such coverage will cost them only \$200 instead of \$500 per month. At the same time, there is no way to know how many employees will do this, so there is no specific cost figure that can be used. In turn, the ultimate cost impact of the Union's proposal almost certainly will be larger than its \$25,200

annual cost figure (UX 8). For example, if only one additional unit member elects dependent coverage, the total annual cost of the Union proposal would be \$28,800 (\$3,600 per year times eight employees), which is the equivalent of a 3.2 percent unit-wide wage increase. In any case, there is no ability to pay evidence in the record to support an insurance cost increase of the magnitude proposed by the Union on top of the cost generated by a four percent wage increase.

Further, the County is correct that the ultimate cost impact of adopting the Union's proposal will be much larger than the cost in the roads unit. As noted above, the County is obligated to provide the same benefit to its other employees - via the same "me-too" provisions in its other two CBAs, and via its promise to the non-represented employees. Although I have the authority to formulate recommendations only for the roads unit, the organizational reality is that any recommendation to adopt a new dependent insurance benefit in this unit will have an immediate Countywide impact. Because there is no information in the record to indicate how many other County employees currently have dependent coverage, there is no way to calculate this overall cost increase. Similarly, there is no way to know how many other additional County employees would elect such coverage. At the same time, the County's estimate of a total \$450,000 annual cost impact is much too high, for it is based on all 125 County employees electing such coverage, and there simply is no reason

for many County employees - those who have no dependents, those whose spouses have superior dependent coverage - to elect to be covered. Nevertheless, there is no question that the adoption of the Union's proposal, or the adoption of a less expensive version of the Union's proposal, would represent a very large new cost burden for the County, and the evidence in the record does not justify the imposition of a substantial new cost burden.

Turning to a highly relevant "other factor," I take judicial notice of the strong preference among Chapter 20 neutrals that new benefits, in the absence of compelling evidence to the contrary, should be bargained rather than imposed by outside neutrals. This allows the new benefit to be adopted in a manner that reflects the parties' bargaining priorities rather than being imposed by an outsider over the strenuous objections of one party.

On this item, the Union asks that a brand new benefit be imposed by an outside neutral. Further, this benefit will benefit a minority of the bargaining unit, and it is an expensive benefit. The Union is correct that the external comparability evidence provides overwhelming support for the adoption of this new benefit. Moreover, I am highly sympathetic to employee desires for assistance in coping with the ever-escalating premium for dependent coverage. As a result, I believe, along with 95 other Iowa counties, that an employer contribution to the cost of this coverage is appropriate.

More important, though, the totality of evidence on this item is a wash. As noted above, the external comparability evidence provides very strong support for the Union's proposal, but all of the other evidence supports the County's proposal. In addition, a new benefit should be negotiated rather than imposed via a Chapter 20 impasse proceeding. Accordingly, if the parties believe that a County contribution toward the dependent insurance premium is a sufficiently high priority item that they should incorporate this new and expensive benefit into their employment relationship, they need to make this decision and adopt this change at the bargaining table in a manner that reflects this high priority.

Summary. The external comparability evidence provides very strong support for the Union's health insurance proposal. At the same time, the other evidence reviewed above supports the County's proposal. Because the Union is the party proposing a significant and expensive departure from the status quo, I find that the totality of the evidence does not provide sufficient support to warrant the adoption of a new dependent insurance benefit.

Finding and Recommendation. Based on the foregoing analysis, I find that the County's insurance proposal is more reasonable than the Union's proposal. In turn, I recommend that Section 13.2 be continued unchanged.

CONCLUSIONS OF LAW

Using the authority vested in me by Chapter 20.21 of the Code of Iowa and by the parties' independent impasse procedure, and consistent with the criteria contained in Chapter 20.22.9 of the Code, I recommend, for the reasons explained earlier, that the County and the Union do the following for the 2008-2011 period of their next collective bargaining agreement:

1. Wages (Article 14 and Appendix A)

Revise Section 14.4 of the CBA to provide that wages be increased ATB by four percent on July 1, 2008, by another four percent on July 1, 2009, and by another four percent on July 1, 2010, and that the wage rates in Appendix A be revised to reflect this series of four percent increases.

2. Health Insurance (Article 13)

Continue Article 13 unchanged.

Respectfully submitted,

A handwritten signature in black ink, reading "Peter Feuille". The signature is written in a cursive style with a large, stylized initial "P".

Peter Feuille
Fact-Finder

Champaign, Illinois
May 28, 2008

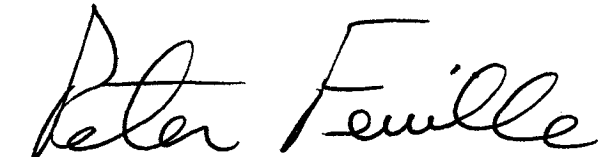
CERTIFICATE OF SERVICE

I certify that on the 28th day of May, 2008, I served the foregoing Report of Fact-Finder upon each of the parties to this matter by mailing a copy to them at their respective addresses below:

Mr. Robert Russell
UE Local 869
20 E. Market Street, Suite 210
Iowa City, IA 52245

Mr. Lloyd Peterson
Blackstone, Simmons & Peterson
1369 Mississippi Street
New Brighton, MN 55112

I further certify that on the 28th day of May, 2008, I submitted this Report for filing my mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, IA 50319.


Peter Feuille, Fact-Finder